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# Message Text

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ACTION PM-04

INFO OCT-01 ARA-06 ISO-00 CIAE-00 INR-07 NSAE-00 EB-07

MC-02 AID-05 IGA-02 ACDA-07 TRSE-00 OMB-01 /042 W
---------- 120216
R 032133Z DEC 76
FM AMEMBASSY LIMA
TO SECSTATE WASHDC 2886

INFO SECDEF WASHDC
USCINCSO QUARRY HEIGHTS

C O N F I D E N T I A L LIMA 10946

EO 11652: GDS
TAGS: MASS, PE
SUBJ: FMS CREDITS FOR PERU IN FY 1977

REF: LIMA 10856

1. WITH REFERENCE TO ONGOING DISCUSSIONS WITH GOP ON POLITICAL
MILITARY MATTERS OF COMMON INTEREST
(INCLUDING CAVAZOS/WAGGENER
VISIT), THE EMBASSY BELIEVES IT WOULD BE USEFUL TO REVIEW THE
MATTER OF FY 1977 FMS CREDITS FOR PERU:

--- STATE 258167 OF 1975 AUTHORIZED DISCLOSURE TO GOP OF
PRESIDENTIAL REQUEST TO CONGRESS FOR TWENTY MILLION DOLLARS
IN FMS CREDITS FOR FY 76 REPEAT 76. WE ALSO ASKED GOP IF
THEY WOULD ACCEPT AND TO GIVE US A LIST OF MAJOR ITEMS, IN
PRIORITY ORDER, OF EXPECTED PURCHASES. GOP OFFICIALLY
RESPONDED ON NOVEMBER 10, 1975.

--- MAAG MESSAGE 152032Z MARCH 1976 ADVISED THAT GOP HAS
INDICATED TO MAAG THAT FY 75 AND FY 76 FUNDS WERE COMMITTED.
MAAG THAT OUTSTANDING ARMY FMS CASES AND CASES BEING PREPARED
EXCEEDED PERU ARMY PORTION OF FY 75 AND 76 CREDITS.

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--- STATE 234245 STATED THAT GOP HAD NO UNUSEE FMS CREDITS

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PRIOR TO FY 7T.

--- STATE 43820 AUTHORIZED DISCLOSURE TO GOP OF PRESIDENTIAL PROPOSAL OF TWENTY MILLION DOLLARS FMS CREDITS FOR FY 77.

2. DURING APRIL 1976 VISIT TO U.S. OF PERU ARMY CHIEF OF STAFF, OFFICIALS OF OSD/ISA EXPLAINED HOW GOP WOULD MAKE MAXIMUM USE OF CREDITS BY USING THE "DEPENDABLE UNDERTAKING" METHOD OF PURCHASES. ADDITIONALLY, GOP WAS TOLD THAT FY 76 AND FY 77 CREDITS SHOULD BE APPROVED BY MAY-JUNE, 1976. OF COURSE, THIS STATEMENT WAS NOT OFFICIAL AND THE USUAL CAVEATS ABOUT CONGRESSIONAL APPROVAL WERE MADE. NEVERTHELESS, IN THE CONTEXT OF THE DIS-CUSSIONS WHICH WERE BASED ON GOP CONCERN AS TO WHETHER THEY HAD MONIES TO PAY FOR PURCHASES, A "GENTLEMANLY" ASSURANCE WAS GIVEN THAT GOP WOULD HAVE FY 76 AND FY 77 CREDITS. THE GOP ACTEE ON THAT BELIEF AND BASED ON MAAG RECORDS HERE WE BELIEVE IT IS COMMITTED TO PURCHASES GREATER THAN ITS FY 7T (IN LIEU OF FY 76) AND FY 77 CREDITS OF TWENTY MILLION DOLLARS EACH FY.

3. FMS CREDIS FOR FY 1977 OF TWENTY MILLION DOLLARS, PARTICULARLY GIVEN THE BACKGROUND CITED ABOVE, WILL BE A KES FACTOR IF WE ARE TO WORK SUCCESSFULLY WITH GOP TO MINIMIZE THE POLITICAL EFFECT RESULTING FROM SOVIET ARMS SALES.
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# Message Attributes

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**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** MILITARY ASSISTANCE, CREDIT, MILITARY SALES
**Control Number:** n/a
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**Secure:** OPEN
**Status:** NATIVE
**Subject:** FMS CREDITS FOR PERU IN FY 1977
**TAGS:** MASS, PE
**To:** STATE
**Type:** TE
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